

**INFORMATIONAL LETTER NO. 2149-MC-FFS-CVD**

**DATE:** August 13, 2020

**TO:** Home- and Community-Based Service (HCBS) Waiver Providers and Habilitation Providers, Mental Health (MH) Providers, Substance Use Disorder (SUD) Providers, Home Health Agency Providers, and Consumer Directed Attendant Care (CDAC) Providers

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS), Coronavirus Disease (CVD)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Grants for HCBS, SUD, and MH Providers

**EFFECTIVE:** Upon receipt

The IME is now accepting applications from HCBS waiver and habilitation direct service providers, substance use disorder (SUD), and mental health (MH) service providers to receive a grant from the Department to help offset impacts of the COVID-19 pandemic.

The IME will be distributing a total of \$50 million in grants to providers. This money was provided to the State under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The \$50 million will be divided between HCBS (\$30 million), MH (\$10 million), and SUD (\$10 million) providers. This funding is being distributed through the state and is different from the federal funds Medicaid providers may have already received. Providers may also be eligible for grants through the federal government and should check the U.S. Department of Health and Human Services [website](https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html)<sup>1</sup> for information on the CARES Act Provider Relief Fund.

Eligible provider types for both FFS and MC may apply online for a grant from the IME. The IME will determine the payment amount each provider receives, splitting the funding proportionally based on respective claims data from State Fiscal Year 2019 (SFY19). Any provider affiliated with a hospital that uses the same Tax ID as the hospital is not eligible.

Providers who apply for a grant, but who do not meet the eligibility criteria, or thresholds as noted below will be notified.

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<sup>1</sup> <https://www.hhs.gov/coronavirus/cares-act-provider-relief-fund/general-information/index.html>

By accepting these funds the Medicaid provider agrees to comply with the requirements of the Coronavirus Relief Fund (CRF) under the CARES Act and other applicable state and federal law, including but not limited to:

- The CARES Act requires that the payments from the Coronavirus Relief Fund only be used to cover expenses that:
  1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
  2. Are incurred during the period that begins on March 1, 2020, and ends on December 30, 2020;
  3. Expenses that have not been reimbursed from another source.
- The Medicaid provider, shall retain records that support or document all costs claimed and shall make those records available to the Department of Human Services (DHS), Auditor Office of the State, Department of Management and the Office of the Governor and/or federal authorities upon request. These funds are subject to the single audit requirements of 2 CFR § 200.501 and 45 CFR 75. Records must be kept in accordance with 45 CFR 75.302-75.365, and must be maintained for five years.
- In the event that any funds are deferred and/or disallowed as a result of any audits or expended in violation of the laws applicable to the expenditure of such funds, the Medicaid provider shall be liable to the Department for the full amount of any claim disallowed and for all related penalties incurred.

If the Medicaid provider does not expend all of the funds for the intended purposes, remaining funds will be returned to DHS by January 3, 2021.

Important federal guidance about the Coronavirus Relief Fund can be accessed at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments#>

Eligible providers include the following:

- MH providers with SFY2019 claims paid indicating services rendered to a member with a primary diagnosis of mental or behavioral health disorder.
- SUD providers with SFY2019 claims paid indicating services rendered to a member with a primary diagnosis of SUD.
- HCBS waiver providers with SFY2019 claims paid for HCBS waiver service procedure codes.
- HCBS Habilitation providers with SFY2019 claims paid for HCBS Habilitation service procedure codes.

Eligible providers must also have:

- Billed a Managed Care Organization (MCO) or FFS for health care-related services between January 1, 2018 and December 31, 2019.
- Provided patient care after January 31, 2020.
- Not permanently ceased providing patient care directly or indirectly.
- SFY2019 claims that result in a proportional payment of grant dollars above an IME-established *de minimis* threshold (\$1,000 for MH and SUD providers, \$100 for HCBS (including CDAC) providers).

Providers who believe they meet the above criteria should fill out an application form found [here](#)<sup>2</sup>. The IME will review each application to verify eligibility for a grant.

Providers will have until Friday, September 11, 2020, to request a grant. Once a provider's eligibility has been verified, a grant payment will be issued via Electronic Funds Transfer (EFT). Starting August 17, 2020, the IME will begin processing EFT payments weekly. There will be a minimal withhold to fund distributions for those providers not identified in the initial distribution. Any remaining funds withheld will be distributed to eligible providers no later than 30 days after the closing date of the application process.

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>2</sup> <https://www.tfaforms.com/4834731>